

Carolina Power & Light Company

d/b/a

Progress Energy Carolinas, Inc.

Transmission Services Business Practices

Effective: September 1, 2009

Procedure for modifying Business Practices: Any proposed change to the CP&L Business Practices will be posted in the “Notices and Announcements” folder on the CP&L OASIS site a minimum of fifteen (15) business days prior to the implementation of the change in business practices. OASIS customers will be provided with a CP&L contact to provide any comments regarding the proposed change in business practices. Customer comments must be received by CP&L no less than three (3) business days prior to the proposed implementation date of the business practice change in order to be reviewed and considered prior to implementing the change. CP&L will review and consider all customer comments received within the specified time limits prior to implementing a change in business practices. This procedure for modifying the CP&L business practices will become effective on 7/13/07.

Carolina Power & Light Company Transmission Services Business Practices

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I. Transmission Service

A. Transmission Reservation Accuracy: In order to receive transmission service, the transmission reservation must be accurate and complete.

B. Ancillary Services: Unless special provisions exist in a transmission customer's service agreement, transmission customers will automatically be billed for Transmission Scheduling, System Control and Dispatch Service and Reactive Supply and Voltage Control (Schedule 1 and Schedule 2). The billing determinant for the first two Ancillary Services (Schedule 1 and Schedule 2) shall be the transmission Customer's Reserved Capacity for Point-To-Point Transmission Service or the Transmission Customer's Network Load for the applicable month for Network Integration Transmission Service. The rates for these services are posted under the ancillary services offering area of the OASIS. Customers do not have to request the purchase of these two ancillary services on the OASIS. For more information, see the Obtaining Ancillary Services document attached as Appendix A.

C. Transmission Service Request Fax Form: Used to submit a new request by fax when the OASIS is unavailable. The form is attached as Appendix B.

D. Reservation of Point-to-Point Service:

1. All requests for Point-to-Point service must be made via CP&L's OASIS site.
2. With respect to a long-term Point-to-Point request (yearly), a Completed Application must be submitted to CP&L over the OASIS and/or by written application. The Completed Application consists of the information specified in Sections 17.1-17.3 of CP&L's OATT. In waiving the written application, the Customer must also provide CP&L an indication of the Customer's desire to invoke rollover rights. This information can be provided in the Comments field of the OASIS request. Rollover rights information must be provided for determining sufficient ATC to meet the requests in future years. Failure to do so will result in the OASIS request being given a status of INVALID.
3. Upon receipt of a Completed Application, if CP&L determines that a System Impact Study or a Facilities Study are needed, formal study agreements must be executed before the work on the study(ies) can proceed. There are additional charges to the Customer for performing these studies.
4. After a Completed Application has been submitted to CP&L, and after any required studies have been performed, CP&L will prepare and an Eligible Customer may execute a Service Agreement to bind both parties to the terms of the Tariff. If both parties cannot reach agreement on the Service Agreement, the Eligible Customer may request that CP&L file an unexecuted Service Agreement.

E. Reservation of Point-to-Point Service into CP&L's System:

1. In accordance with FERC's September 23, 1998 order in Wisconsin Power & Light Co., 84 FERC 61,300, clarifying allowable Points of Delivery, point-to-point reservations made on the OASIS must state a Point of Delivery at which load is served.
2. The OATT (section 1.34) does not allow Network Customers to designate only a part of their load at a discrete Point of Delivery.
3. Points of Delivery on the CP&L system generally are 230kV and 115kV buses. A customer may designate a Point of Delivery at a lower voltage, so long as the Points of Delivery for Point to Point service are separately metered and electrically separate from any Network Load. Generating stations and transmission-only substations (i.e., substations at which no load is served) are not acceptable Points of Delivery. CP&L System Planning and Operations personnel will assist customers in designating correct Points of Delivery.
4. CP&L will accept requests for Points of Delivery meeting the definitions in (1-3) above. Requests that do not meet the criteria specified will be deemed INVALID.
5. There is no provision in the tariff allowing a transmission customer that has reserved point-to-point service to convert such a reservation into network service.
6. Prior to accepting a schedule for a transaction, CP&L is obligated to ensure that the customer has the right to deliver electricity consistent with the reservation. Thus, if all load at the reserved Point of Delivery at time of delivery is designated as Network Load by a Network Customer, CP&L will not schedule the transaction.

E1. Resale, Reassignment or Transfer of Long Term Point-To-Point Transmission Service:

This service is available to current Customers approved to do OATT business with CP&L. Customers desiring to enter into this arrangement must submit the Resale, Reassignment, or Transfer Schedule to CP&L no later than 5 business days before service change. The completed OATT Attachment A-1 should be submitted to the Transmission Provider.

F. Transmission Reservation Submittal Timing: The timing for submitting reservations is listed in the Transmission Reservation Submittal Timing Table below. See Section IV of this document for timing for Designated Network Resources (DNR) requests.

Transmission Reservation Submittal Timing Table

<u>Class</u>	<u>Service Increment</u>	<u>Reservation Should be Queued</u>
Non-Firm Redirect (or Secondary)	N/A	Between 1200 and 1400 the day prior to service start¹
Non-Firm	Hourly	NLT 30 minutes prior to start time¹
Non-Firm	Daily	NET² 2 days prior to service start and NLT³ 1400 the day prior to service start
Non-Firm	Weekly	NET² 14 days prior to service start and NLT³ 1400 the day prior to service start
Non-Firm	Monthly	NET² 60 days prior to service start and NLT³ 1400 the day prior to service start
Network Secondary⁴	N/A	Anytime in advance, up to 30 minutes prior to top of the hour in which service is to start.
Firm	Daily	NLT³ 1000 day prior to service start
Firm	Weekly	Within negotiated time frame
Firm	Monthly	Within negotiated time frame
Firm	Yearly	60 days prior to month in which service is to begin

Notes for Transmission Reservation Submittal Timing Table:

1 For hourly non-firm service on the same day, including multiple hour service that begins the same day, the complete and accurate transmission reservation shall be submitted no later than 30 minutes prior to start time.

2 NET - No Earlier Than

3 NLT - No Later Than

4 Also referred to as Non-Firm Network or Network Service From Non-Designated Resources or Network Service Using Alternate Resources. Customers must take Network Secondary Service when scheduled after 10:00am day prior or during the current day. Customer can change reservation status to DNR upon declaration of EEA by the Reliability Coordinator as outlined in DNR paragraph DNR22.

G. Transmission Reservation Response Timing: The specific response time details for both the Transmission Customer and the Transmission Provider for all transmission classes except DNR requests are indicated in the table below.

Transmission Reservation Response Timing Guidelines Table

<u>Class</u>	<u>Service Increment</u>	<u>Time Queued Prior To Start</u>	<u>Provider Evaluation Time Limit</u> ^{1,8}	<u>Customer Confirmation Time Limit</u> ² <u>After Accepted Or Counteroffer</u> ³	<u>Provider Counter Time Limit After Rebid</u> ⁴
Non-Firm	Hourly	<1 hour	Best effort	5 minutes	5 minutes
Non-Firm	Hourly	>1 hour	30 minutes	5 minutes	5 minutes
Non-Firm	Hourly	Day ahead	30 minutes	30 minutes	10 minutes
Non-Firm	Daily	N/A	30 minutes	2 hours	10 minutes
Non-Firm	Weekly	N/A	4 hours	24 hours	4 hours
Non-Firm	Monthly	N/A	2 days ⁵	24 hours	4 hours
Network Secondary ⁹	N/A	<1 hour	Best effort	5 minutes	5 minutes
Network Secondary ⁹	N/A	>1 hour	30 minutes	5 minutes	5 minutes
Firm	Daily	< 24 hours	Best effort	2 hours	30 minutes
Firm	Daily	N/A	30 days ⁶	24 hours	4 hours
Firm	Weekly	N/A	30 days ⁶	48 hours	4 hours
Firm	Monthly	N/A	30 days ⁶	4 days	4 hours
Firm	Yearly	60 days ⁷	30 days	15 days	4 hours

Notes for Transmission Reservation Response Timing Guidelines Table:

1 Consistent with regulations and filed tariffs, measurement starts at the time the request is *QUEUED*.

Notes Continued

2 Confirmation time limits are not to be interpreted to extend scheduling deadlines or to override preemption deadlines. The time limits for confirmation of transmission service that are established do not extend the 10:00 a.m. deadline for scheduling transmission service. Consequently, CP&L will apply the confirmation time limits established so that the customer's confirmation time limit is the later of (i) 10:00 a.m. of the day prior to the commencement of service or (ii) two hours after the transmission request is first placed in a status of *ACCEPTED* or *COUNTEROFFER*. Transmission requests that are not confirmed or withdrawn by the deadline will be placed in *RETRACTED* status.

3 Measurement starts at the time the request is first moved to either *ACCEPTED* or *COUNTEROFFER*. The time limit does not reset on subsequent changes of state.

4 Measurement starts at the time the Transmission Customer changes the state to *REBID*. The measurement resets each time the request is changed to *REBID*.

5 Days are defined as calendar days.

6 Subject to expedited time requirements of Section 17.1 of the pro forma tariff. Transmission Providers should make best efforts to respond within 72 hours, or prior to the scheduling deadline, whichever is

earlier, to a request for Daily Firm Service received during period 2- 30 days ahead of the service start time.

7 Subject to Section 17.1 of the pro forma tariff, whenever feasible and on a non-discriminatory basis, transmission providers should accommodate requests made with less than 60 days notice.

8 A System Impact Study Agreement will be supplied to the eligible customer for firm point-to-point requests queued 90 days or greater prior to the requested reservation Start Date when there is insufficient available capacity to Accept the reservation request.

9 Also referred to as Non-Firm Network or Network Service From Non-Designated Resources or Network Service Using Alternate Resources. Customers must take Network Secondary Service when scheduled after 10:00am day prior or during the current day.

H. Preempting Requests:

1. Transmission reservations that preempt existing reservations must be submitted as pre-confirmed if preemptable request has Right of First Refusal.
2. All Designated Network Requests (regardless of term) are classified as Network Requests and cannot be preempted.
3. A pre-existing confirmed transmission service reservation will be considered for preemption by a subsequent pre-confirmed request only if the pre-existing confirmed request has a 5% or greater impact on the limiting element affecting the available capacity requested by the preempting request.
4. If requests for Point-to-Point Service must be displaced in order to accept a new Designated Network Resource request, the Network Transmission Customer will be notified and required to provide a valid contract by the same deadlines stated in Table I of the "Network Integration Service Business Practices" document (link provided above). Point-to-Point Service requests will not be displaced by Designated Network Resource requests until a valid contract is provided. If a Point-to-Point Service request becomes unconditional before a Network Resource contract is provided, the Point-to-Point Service request cannot be displaced under Section 13.2 of Tariff, even if the contract is provided by deadlines stated in Table I of the "Network Integration Service Business Practices" document. Network Transmission Customers that wish to minimize this possibility should provide the executed Designated Network Resource contract (or a letter agreement indicating that such a contract will be executed depending on the availability of transmission service) when the request for a new Designated Network Resource is submitted or as soon as possible thereafter.
5. With respect to CAPACITY_GRANTED under a COUNTEROFFER when insufficient ATC is available to meet the capacity requested by a preempting request, CP&L will only consider those reservations that (1) cannot invoke right-of-first-refusal according to Table 4-3 of FERC Order 638, (2) have a conditional status when the preempting request was queued and (3) have greater than a 5% impact on the limiting element affecting the available capacity requested by the preempting request.

I. Transmission Reservation Preempting Priorities: Reservation preempting priorities are shown in the table below.

Priorities for Competing Reservation Requests Table

<u>Request 1</u>	<u>Is Preempted by Request 2</u>	<u>Right of First Refusal</u>
Tier 1: Long-term Firm, Native Load, and Network Firm	N/A Not preempted by a subsequent request.	N/A
Tier 2: Short-term Firm	Tier 1: Long-term Firm, Native Load, and Network Firm, while Request 1 is conditional. Once Request 1 is unconditional, it may not be preempted.	No
Tier 2: Short-term Firm	Tier 2: Short-term Firm of longer term (duration), while Request 1 is conditional. Once Request 1 is unconditional, it may not be preempted. ¹	Yes, while Request 1 is conditional. Once Request 1 is unconditional, it may not be preempted and right of first refusal is not applicable.
Tier 3: Network Service From Non-Designated Resources (or Network Secondary)	Tiers 1 & 2: All Firm (including Network).	No
Tier 4: All Non-Firm PTP	Tiers 1 & 2: All Firm (including Network).	No
Tier 4: All Non-Firm PTP	Tier 3: Network Service from Non-Designated Resources (or Network Secondary)	No
Tier 4: All Non-Firm PTP	Tier 4: Non-Firm PTP of a longer term (duration) ¹ . Except in the last hour prior to service start.	Yes ²
Tier 4: All Non-Firm PTP	Tier 4: Non-Firm PTP of equal term (duration) ¹ and higher price, when Request 1 is still unconfirmed and Request 2 is received and pre-confirmed. A confirmed non-firm PTP may not be preempted for another non-firm request of	Yes

	equal duration.	
Tier 5: Service over secondary receipt and delivery points	Tiers 1 through 4 can preempt Tier 5.	No

Notes for Priorities for Competing Reservation Requests Table:

1 Longer duration, in addition to being higher SERVICE_INCREMENT (i.e., WEEKLY has priority over DAILY), also may mean more multiples of the same SERVICE_INCREMENT (i.e., 3 days may have priority over 2 days). Multiple service increments must be at the same level of capacity.

2 Right of first refusal applies only to confirmed spaces.

Service Request Tier 1: Native load, Network, and Long-term Firm

Service Request Tier 2: Short-term Firm

Service Request Tier 3: Network on Non-designated Resources

Service Request Tier 4: Non-firm

Service Request Tier 5: Service over secondary receipt and delivery points

- I-1.** PEC uses the reservations (firm and non-firm) when evaluating a request for transmission service and evaluating/posting ATC. The firm reservation capacity not scheduled on by 10AM day ahead is made available as non-firm transmission service starting at midnight for the next day. The exception to this practice is the transmission reservation associated with a dynamic schedule (load or generation following service) which is not released, but is subject to the standard scheduling guidelines.

Firm transmission service reservation capacity not scheduled by 10am day ahead will be included in the available non-firm ATC values posted for next day after 10 am each day. Transmission customers can then submit a non-firm reservation request for available non-firm ATC. The Transmission Customer should be aware that schedules using this non-firm service are subject to being curtailed as part of the TLR process as a non-firm product and can also be reduced pro-rata to make room for any firm schedule submitted by the original firm reservation owner.

Although the unscheduled firm service is made available on a non-firm basis, the firm transmission reservation owner still has rights to use the product with a firm schedule. Should the firm Transmission Customer desire to schedule on a firm reservation, or increase the schedule on an existing tag using a firm reservation after the 10am deadline for same day or next day use, the Tag should be submitted a minimum of 45 minutes before the start of the scheduled service if ATC is not available during the request period. Non-firm schedules may have to be reduced on a transmission priority and pro-rate basis to make room for the firm schedule. If the schedule impacts a path that currently has a TLR in effect, the scheduling rules associated with the TLR process should be followed. If ATC is available during the schedule period, the tag submittal can follow normal tagging guidelines.

J. OASIS 1.4 Practices (COUNTEROFFER/CAPACITY_GRANTED):

1. With respect to CAPACITY_GRANTED, CP&L will not COUNTEROFFER with more segments than initially requested. Any COUNTEROFFER made by CP&L will be of the same Service Increment (e.g. monthly, daily, hourly), Class (e.g. firm, non-Firm), Type (e.g. DNR, point-to-point), Period (e.g. off-peak, on-peak, full-period) and term (e.g. start and stop time). An example follows.

Example:

REQUEST (Path X:Y): Firm-daily, 4/1/01-4/10/01, 100MW

ATC Available (Path X:Y):

4/1/01 - 4/5/01: 75MW

4/6/01 - 4/7/01: 50MW

4/8/01 - 4/10/01: 40MW

COUNTEROFFER (Path X:Y) = Firm-daily, 4/1/01-4/10/01, 40MW

2. With respect to requests for firm transmission service with a term greater than or equal to a month, the Customer may specify (in the Comment field) that the Transmission Provider consider the request only in its entirety (i.e. do not COUNTEROFFER).

K. Rollover Rights:

Any new or existing transmission Customer with a long term service agreement has rollover rights if the initial designation was for five (5) years or longer and not limited by the initial request. To exercise the rollover rights, the customer must make application by submitting a renewal request no later than one year before the end of the contract. To continue to have rollover rights, the rollover period must be for 5 years or longer. A rollover of less than 5 years will not retain any future rollover rights.

Starting July 13, 2007, any existing transmission Customer with a long term service agreement with rollover rights for which the contract expires before July 2008 will be permitted to exercise the rollover rights under the pre-July 13 2007 rollover requirements. The rollover will have to be for a minimum of 5 years to retain any future rollover rights.

Starting July 13, 2007, any existing transmission Customer with a long term service agreement with rollover rights for which the contract expires after July 2008, will make application by submitting a renewal request no later than one year before the end of the contract. The rollover will have to be for a minimum of 5 years to retain any future rollover rights.

L. Modification on a Firm Basis - OATT Section 22.2

CP&L will accept REDIRECT requests of FIRM basis for periods less than (Partial Redirect) or equal to (Full Redirect) the duration of the Original reservation. Firm

Redirects will only be allowed off of Original reservations of a MULTIPLE DAILY increment or greater. Customers with Confirmed Network Firm reservations will not be permitted to modify receipt points on a firm basis. The requirements for redirecting firm point-to-point transmission service are summarized below.

1. All requests to redirect a firm reservation will be treated as new requests and should be submitted on OASIS with a Request Type of "REDIRECT".
2. A REDIRECT request will be accepted if there is sufficient ATC available to satisfy the request. Each firm REDIRECT retains the Reservation priority of the Original request. REDIRECT requests may not preempt existing reservations/requests.
3. Any redirect request must indicate the AREF of the ORIGINAL reservation in the RELATED_REF field and must be PRECONFIRMED.
4. An ORIGINAL firm request must be Confirmed and have passed its conditional acceptance deadline in order to be redirected on a firm basis.
5. All REDIRECT requests must begin and end at 00:00.
6. A request to redirect can be for all or part of the capacity of the Original reservation. A request to redirect must be for the same amount for the entire redirected period. NO variable schedule or use of profile edit to segment reservation into smaller intervals with gaps is allowed. Furthermore, no profile segment may request a capacity value of zero (0).
7. With respect to ORIGINAL reservations of long-term duration (i.e. yearly), a firm REDIRECT request must match an existing type of point-to-point service with a shorter duration service increment than the ORIGINAL request (excluding hourly). The start and stop times must fall within the boundaries of the Original reservation. For example, a Yearly Firm point-to-point reservation may be redirected with a Monthly Firm, Weekly Firm or Daily Firm point-to-point reservation of type "REDIRECT".
8. With respect to ORIGINAL reservations of short-term duration (ie. Monthly, Weekly or Daily), firm REDIRECTS may be of an equal or lesser increment (excluding hourly).
9. A reservation of type "REDIRECT" may be redirected again on a firm basis or on a non-firm basis.
10. Once a firm REDIRECT request is confirmed, any capacity on the ORIGINAL path freed up during the overlapping period will be available to other customers for the period of that redirect.

11. To reduce situations where redirected reservations could be preempted by a higher priority service after the original path has been resold, the submittal timing guidelines in the table below will apply. To allow redirected capacity to be offered to other customers with sufficient advance notice on the OASIS, the following submittal deadlines will be strictly enforced.

Redirect Submittal Timing Guidelines Table

<u>Original Request Type</u>	<u>Increment of Redirect</u>	<u>Earliest Submittal (prior to start time)</u>	<u>Latest Submittal (prior to start time)</u>
Yearly	Monthly	NET 180 days	NLT 10am Day Before
Yearly	Weekly	NET 28 days	NLT 10am Day Before
Yearly	Daily	NET 7 days	NLT 10am Day Before
Monthly	Monthly/Weekly	NET 28 days	NLT 10am Day Before
Monthly	Daily	NET 7 days	NLT 10am Day Before
Weekly	Weekly/Daily	NET 7 days	NLT 10am Day Before
Multiple Daily	Daily	NET 7 days	NLT 10am Day Before

Notes for REDIRECT Submittal Timing Guidelines Table:

NET - No Earlier Than

NLT - No Later Than

12. Any applicable rollover rights will remain on the ORIGINAL path only for a long term firm reservation.

M. Transmission Requests that Impact the CP&L East and West Control Areas:

1. In order to facilitate a request that impacts both the CPLE and CPLW control areas, two separate reservations are required. CP&L currently employs a process which relies on Source and Sink to calculate available transmission capability. Therefore, in order to avoid double counting a reservation's impact on ATC the Source and Sink associated with the two reservations must not overlap.

For example, if a customer wishes to make a request in which the POR/Source = CPLE and the POD/Sink = TVA (across Duke), the following 2 requests should be queued by the customer:

Request #1: Source = CPLE, POR = CPLE, POD = DUKE, Sink = Duke
 Request #2: Source = Duke, POR = Duke, POD = TVA, Sink = TVA

- Request #1 should have a bid price equivalent to the offer price unless Request #1 is a REDIRECT request which it would then be \$0.00.
- Request #2 should have a bid price of \$0.00 and an increment, and duration equal to Request #1.
- The capacity of Request #1 should be greater than Request #2 to cover Duke Power's required losses.
- Request #2 should state in the comment field the following: "Reservation linked to <assignment number of Request #1>".

2. Although Request #1 and Request #2 have separate OASIS Assignment Reference numbers, the two are linked internally in CP&L's transmission tracking program and are considered one request (since no cost is associated with Request #2). The path that Request #1 and Request #2 represent is POR:CPLE, POD:TVA across Duke.

3. The use of Request #1 independent of Request #2 will not be allowed (for Tagging or otherwise). For example, should a Customer want to schedule energy on the Original reservation for Request #1 (independent of Request #2) to sink energy into to Duke Power's control area, then a new REDIRECT request must be submitted off of Request #1 (even if the REDIRECT request resembles request #1). Both Request #1 and Request #2 must show up on the electronic tag.

4. In the example above, only Request #1 (or the request with a bid price greater than \$0.00 OR a Redirect request) can be redirected. Request #2 could not be redirected on a firm or non-firm basis.

5. REDIRECT of Request #1 must follow the redirect rules noted in the above section.

6. The electronic tag to schedule this transaction must contain schedule type EWTV# in the Comment field in the Contact Information section.

7. Once confirmed, any firm REDIRECT on Request #1 will free up ATC on BOTH paths of Request #1 and Request #2.

N. Loss Compensation

Real Power capacity and/or energy losses are associated with all Point-to-Point Transmission Service on the CP&L transmission system. Transmission Service pricing does not include losses and CP&L Transmission is not obligated to provide them. The

Transmission Customer is responsible for replacing capacity and/or energy losses associated with all Point-to-Point Transmission Service on the CP&L system. For each Point-to-Point transaction, the Customer must provide the appropriate CP&L losses at the point of receipt (POR) designated on the E-Tag. This applies to all transactions, regardless of origination, flowing out of or across the CP&L system. Improper tagging or loss accounting will result in Tag denial.

CP&L Transmission does not accept financial losses.

CP&L Loss Percentage Factor is 2.15%. CP&L is a Point of Delivery or POD-based Transmission Provider with respect to reservations, tags, billing and losses.

The amount to be replaced will be calculated by applying the Loss Percentage Factor of 2.15% to the MWs to be delivered to the transmission points of delivery (POD). With exception of the first POD block (1-69), when calculating losses, values equal to or greater than 0.50 are rounded up to the nearest whole MW. Thus, a minimum of 1 MW loss will always be required at the Point of Receipt (POR).

All Point-to-Point Transmission Customers should use the following Loss Table to determine the applicable MW losses required by CP&L at the Point of Receipt (POR) for delivery of the applicable MWs at the Point of Delivery (POD). This Loss Table is to be applied to EACH HOUR of the transmission and energy profile on the electronic tag.

CP&L Transmission Loss Table (2.15% Loss Factor)

POD (MW)	POR (MW)	POD (MW)	POR (MW)
1-69	POD+1	535-581	POD+12
70-116	POD+2	582-627	POD+13
117-162	POD+3	628-674	POD+14
163-209	POD+4	675-720	POD+15
210-255	POD+5	721-767	POD+16
256-302	POD+6	768-813	POD+17
303-348	POD+7	814-860	POD+18
349-395	POD+8	861-906	POD+19
396-441	POD+9	907-953	POD+20
442-488	POD+10	954-999	POD+21
489-534	POD+11	1000-1046	POD+22

O. Conditional Firm Service (CFS)

Customer Chooses Specified Contingency Conditions as the CFS Option

1. The Transmission Provider will submit to the Reliability Coordinator (RC) an updated list of all CFS transactions which are subject to curtailment for specific

- contingency condition(s); such list will contain the transaction OASIS I.D., start and end date and the contingency condition(s) of the CFS.
2. The Transmission Provider will monitor the contingency condition(s) which are identified for each CFS transaction. If the Transmission Provider identifies any of the contingency condition(s) related to its CFS customers, the Transmission Provider will direct its corresponding CFS customer(s) to terminate the CFS tag and initiate a new tag with a Non-Firm Network Secondary (6-NN) priority. The CFS customer must terminate and replace the CFS tag accordingly as directed by the Transmission Provider. If the CFS customer fails to initiate the termination and replacement process within ten minutes, the transaction will be curtailed immediately by the Transmission Provider. During circumstances where the Transmission Provider identifies existing transmission system conditions that may require curtailment of CFS, the Transmission Provider may initiate the curtailment unilaterally.
 3. When the TLR is terminated or when existing transmission system conditions permit, the Transmission Provider will inform/direct its CFS customer(s) as soon as practicable to re-tag the CFS as Firm (7-F).

Customer Chooses Number of Hours/year¹ as the CFS Option

A CFS customer who has agreed to a specified number of annual hours of curtailment during the reservation period will be subject to the following tagging guidelines. A CFS transaction will be tagged as Firm (7-F) unless or until the Transmission Provider directs the CFS customer from time to time to terminate the Firm (7-F) tag and replace the tag using a Non-Firm Network Secondary (6-NN) priority. If the Transmission Provider directs the CFS customer to terminate a CFS transaction with Non-Firm Secondary (6-NN) prior to reaching the specified number of hours/year of curtailment, the CFS customer will be obligated to initiate such request within 10 minutes. If the CFS customer fails to initiate the termination and replacement process within 10 minutes, the transaction will be curtailed immediately by the Transmission Provider. When system conditions return to normal, the CFS customer will be able to re-tag the transaction as Firm (7-F). When the specified number of hours/year of curtailment have been reached, the CFS customer will have the right to maintain Firm (7-F) service for the remainder of that year of the reservation period.

P. Adoption of Local Transmission Loading Relief Procedures

CP&L and PJM Interconnection, LLC (PJM) have entered into a Local Transmission Loading Relief Procedure that will impact congestion on the interface between the two control areas. This local procedure will be used if the current NERC TLR Procedure that has a 5% Transfer Distribution Factor (“TDF”) does not relieve the loading constraint.

¹ Number of hours/year is the hours that the customer is curtailed/interrupted and not the number of hours/year that the customer is at risk, or exposed to, curtailments/interruption.

This local transmission loading relief procedure will be used to supplement, and not be a substitute for, the Interconnection-wide procedure. The Parties agree that they will comply with the NERC TLR Procedure and all NERC Reliability Standards at all times.

The Parties agree to use the NERC TLR Procedure that has a 5% TDF for determining Non-Firm schedules to curtail.

The Parties agree that if the NERC TLR Procedure (NERC Standard IRO-006) does not provide the required relief from Non-Firm schedules, the Parties will then curtail Non-Firm schedules down to 3% TDF in accordance with local procedures as described in section 1.5.1 of the NERC TLR Standard. This will be done by using an agreed upon model to determine if any tagged schedule has a 3% TDF that can provide relief on the flowgate, where either party is a source or sink for the schedule. If any schedules are identified that curtailment will provide relief on the flowgate, then that Party will curtail the schedules until the flow is reduced on the flowgate or all of the schedules have been curtailed.

II. Schedules

A. TAG Accuracy and Timing: In order to implement interchange schedules, tags must be accurate, complete, and time-stamped no later than 20 minutes prior to the start of the schedule.

B. Schedule Changes: Schedule changes usually occur on the top of the hour. Schedule changes may be made on the quarter, half, and three quarter hour provided that transmission service is purchased for the whole hour and the schedule is received 20 minutes prior to the start of the schedule.

III. ETag 1.7 Requirements

In the Energy and Transmission Profiles section of new tags created since the start of ETag 1.7, individual columns for each OASIS reservation are available to the PSE creating the tag (CPSE) to inform CP&L System Operators how much is intended to be used for each hourly variation to provide adequate transmission for the overall schedule. CP&L is a POD-based Transmission Provider with respect to reservations, tags, billing and losses. Therefore the amounts in those columns need to account for that. Should the amount in the individual columns for each OASIS reservation exceed the confirmed reservations, CP&L will deny the tag and note in the comments section that "Schedule exceeds reservation".

IV. CPL Network Integration Service Business Practices

A. REQUESTING INITIAL NETWORK INTEGRATION SERVICE:

[NITS01] Given the volume of data required per Application for Network Integration transmission (NIT) Service, a written Application for service per Section 29.2 is required (OASIS will not adequately facilitate the exchange of all data required per Section 29.2 of the OATT). With respect to an initial request for Network Service, queue position for the NIT Service request will be based on the time and date CP&L receives the Application (Customer may fax a written application or e-mail an electronic application in order to establish a time stamp).

E-Mail Address: chip.webb@pgnmail.com

Fax Number: (919) 546-4048

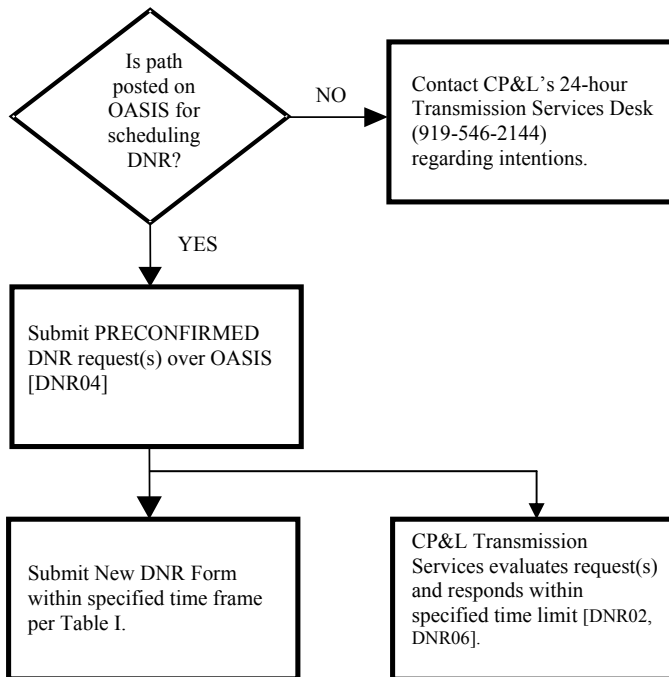
CP&L does require all existing Network Customers to request additions/deletions regarding Designation of Network Resources (DNR) over the OASIS. However, a Customer submitting an Application for NIT Service must also submit DNR requests over the CP&L OASIS which mimic those outlined in the written Application prior to CP&L deeming the Application “complete”². Once the DNR requests have been submitted on the OASIS, the Customer must notify CP&L of the corresponding OASIS request ID's (source and sink are automatically masked to outside entities until the request is Confirmed. The Customer's name may be omitted from the request, therefore, CP&L requires separate notification of the DNR request ID's).

After a Completed Application has been submitted to CP&L, and after any required studies have been performed, CP&L will then prepare and submit to the Eligible Customer a Service Agreement. When executed, the Service Agreement will bind both parties to the terms of the Tariff. If both parties cannot reach concurrence on the Service Agreement, the Eligible Customer may request that CP&L file an unexecuted Service Agreement.

² A Customer whose OASIS is not operative (or, by analogy, a Customer who does not have OASIS capability) may have an agent submit the DNR request(s) on their behalf.

B. REQUESTING TRANSMISSION CAPACITY TO FACILITATE THE SCHEDULING OF A DESIGNATED NETWORK RESOURCE (DNR) OVER THE OASIS:

[DNR01] The FERC requires that the Transmission Provider post ATC for certain transmission paths. If the Designated Network Resource is to be scheduled using a path posted on the OASIS, the Network Customer must also submit a Designated Network Resource request over the OASIS.



[DNR02] Network Customers must designate their Network Resources pursuant to Section 29.2 and 30.2 of the OATT. These sections require that this designation be submitted as soon as practicable. CP&L further clarifies this by requiring that Network Resource designations be submitted in accordance with the deadlines noted in Table I.

C. DNR RESERVATION SUBMITTAL & RESPONSE TIMING TABLE

Network Customers that want to submit reservations requesting transmission capacity for new Designated Network Resource (DNR) requests should refer to the DNR Reservation Submittal & Response Timing Table provided below.

DNR Designation Increment	DNR Request Queued	Provider Response Time ²	DNR Form Required Within... ⁶	
			DNR Queue Date < 1 Year Prior to Start	DNR Queue Date > 1Year Prior to Start
Greater than 1 day and less than or equal to 6 days	NLT ¹ 1000 the day prior to service start ³⁷	30 days	The New DNR Form must be received prior to Confirmation of Service	The New DNR Form must be received prior to Confirmation of Service
Greater than 6 days and less than 1 month	NLT ¹ 96 hours prior to service start	30 days	The New DNR Form must be received prior to Confirmation of Service	The New DNR Form must be received prior to Confirmation of Service
Greater than 1 month and less than a year	NLT ¹ 1 week prior to service start	30 days	[(SSD ⁴ -DQD ⁵) x 0.5] days, not to exceed 6 weeks	Negotiated time frame.
Greater than or equal to a year	NLT ¹ 60 days prior to month in which service is to begin	30 days	[(SSD ⁴ -DQD ⁵) x 0.5] days, not to exceed 6 weeks	Negotiated time frame.

Table I: DNR Reservation Submittal & Response Timing Table

Notes for Table I: DNR Reservation and Submittal Response Timing

¹ NLT – No Later Than

² For Designated Network Resource requests made for time periods where there are no posted ATC values or where ATC is insufficient to meet the request, System Impact and/or Facilities Studies may be required. When such is the case, additional time to evaluate these requests will be necessary. When additional time is necessary, the request will be assigned a status of STUDY. Once the evaluation is completed, the OASIS request status will be changed from STUDY to ACCEPTED or REFUSED based upon the study results.

³ Reservations submitted after 10:00 a.m. will be accommodated if practicable.

⁴ SSD stands for Service Start Date.

⁵ DQD stands for DNR Queue Date.

⁶ An executed contract that demonstrates that the Customer owns or has committed to purchase generation per Section 30.7 of Carolina Power & Light's OATT will be required at TP discretion.

⁷ DNR service is not available during the current day or after 10:00am day prior. Customers must take Network Secondary Service. Customer can change reservation status to DNR upon declaration of EEA by the Reliability Coordinator as outlined in DNR paragraph DNR22.

[DNR03] The correct source and sink names to use are the NERC Control Area Acronyms listed on the Registration page of the TSIN web site.

[DNR04] All DNR requests must be PRECONFIRMED and include the following information:

- [A] The Source (The control area in which the generator(s) used to supply the capacity is located).
- [B] The Point Of Receipt - POR (The interface at which the Network Customer intends to schedule the transaction into Carolina Power & Light's control area). Select the path name (e.g., AEP:CPL).
- [C] The Point Of Delivery - POD (This must be CPL as no other specific points of delivery have been created. However, if transmission path postings are required, this requirement may change).
- [D] The Sink - currently, the sink control area must be either CPL or CPLW since the load will be electronically transferred to the Transmission Provider's eastern or western control area.
- [E] The Reserved Capacity (the MW to be delivered to Carolina Power & Light at the POR)
- [F] The start and stop date/times may not extend beyond the lesser of (1) term of the purchase agreement between the Transmission Customer and the generation seller or (2) term of firm transmission service acquired through all control areas on the scheduling path from the generator source to Carolina Power & Light.
- [G] The bid price will be \$0.00 since Network Customers are billed as prescribed in Attachment H of the OATT.

[DNR05] In addition, the Network Customer must execute the New Designated Network Resource Form (Attachment C), declaring that the criteria for Network Resources have been met in order to constitute a valid Network Resource.

[DNR06] The New Designated Network Resource Form [Acrobat PDF File] may be downloaded from OASIS and faxed to the Transmission Provider. Failure to complete this form in its entirety and/or failure to provide the form to the Transmission Provider within the time specified in Table I will result in the requested designation being denied. The request will be assigned an OASIS status of INVALID. Please note that the Transmission Provider cannot place the request in a CONFIRMED status until the New DNR Form is received.

D. THE CRITERIA FOR A NETWORK RESOURCE IS AS FOLLOWS:

[DNR07] The Transmission Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource per Section 30.2 of Carolina Power & Light's OATT.

Note: The Transmission Customer will be called upon to demonstrate that it owns or has committed to purchase generation pursuant to an executed contract subject to the restrictions of Section 30.7.

[DNR08] The Designated Network Resource may not include resources, or any portion thereof, that are committed for sale to non-designated third-party load or otherwise cannot be called upon to meet the Network Customer's Load on a non-interruptible basis. Firm power purchases that can be interrupted by the seller for reliability reasons qualify as network resources. Power purchases that can be interrupted by the seller at will or for economic reasons do not qualify as network resources.

[DNR09] The Transmission Customer agrees to redispach its Network Resources as requested by the Transmission Provider pursuant to Section 33.2 of CP&L's OATT.

[DNR10] The power seller must have an obligation to provide the power to the purchaser on request unless the power supply obligation is excused for reliability reasons. A power purchase contract does not need to include a capacity payment. However, if there is no capacity payment, the contract ordinarily would include a minimum take provision in return for the seller's commitment to provide power that is interruptible only for reliability reasons. (FERC has accepted a designation with an 80% minimum take during on-peak hours and no minimum requirement for off-peak periods). If requested, the Transmission Provider will seek guidance from the FERC for designations of Network Resources that do not contain a capacity payment obligation and that have minimum take requirements of less than 80% in on-peak periods.

[DNR11] The Network Transmission Customer must secure a firm transmission path through each of the control areas on the scheduling path from the generator source to Carolina Power & Light as the sink for the entire period of the request.

E. DESIGNATION OF A NETWORK RESOURCE ON MULTIPLE INTERFACES:

[DNR12] If a Network Customer designates a firm power purchase as a Network Resource that does not specify that the energy will be delivered from a specific generator, the Customer may request Network Transmission Service from more than one point of receipt. However, when the Customer provides the power purchase contract to the Transmission Provider to demonstrate the validity of its request for designation of the Network Resource³, the Customer must request an amount of transmission capacity at the points of receipt that in total does not exceed the Customer's entitlement to power under the contract. The Customer may subsequently request Network Transmission

³ TP may only require submittal of the New Designated Network Resource Form depending on the magnitude, length, and timing of the request.

Service from other points of receipt for the energy that are consistent with its power purchase contract. The Transmission Provider will study such requests for Network Transmission Service from the new points of receipt based on queue priority and provide transmission service from those points of receipt to the extent that there is sufficient ATC to accommodate the request. If the Transmission Provider accepts the modification of Network Transmission Service on a firm basis, the Transmission Customer will lose its entitlement to firm import transmission capacity at the original point of receipt for the period in which transmission service is reserved at the new point of receipt.

Example: Assume that a Network Customer has executed a contract providing for the delivery of 500 MW of firm energy, to be delivered over Interface A or Interface B at the Customer's option for one year. The Customer may submit over the OASIS separate DNR requests for the contracted entitlement (i.e. 500 MW on Interface A and 500 MW on Interface B). When the Customer is required to submit its contract (which demonstrates validity of the request) to the Transmission Provider, it may allocate 300 MW of transmission service across Interface A and 200 MW across Interface B. It may not designate 500 MW across Interface A and 500 MW across Interface B. Subsequently, with respect to the same resource, the Customer may request 500 MW of firm capacity across Interface A and 0 MW across Interface B for a week. If sufficient ATC is available, this request will be accepted. However, the Customer will lose its 200 MW of capacity across Interface B for that week, but it will retain the 200 MW of transmission capacity at Interface B for the remainder of the year.

F. AFFILIATE DESIGNATIONS OF NETWORK RESOURCES:

[DNR13] Any affiliate of Carolina Power & Light representing native load will be required to meet the same provisions as those described above when attempting to secure firm transmission service to import generation into Carolina Power & Light's control area for the purposes of serving Carolina Power & Light native load requirements.

G. DESIGNATED NETWORK RESOURCE TRANSMISSION APPROVAL PROCESS:

[DNR14] When the Designated Network Resource request is made on the OASIS for a time period that falls entirely within the time frame in which ATC has been posted, ACCEPTANCE or REFUSAL of the request will be based upon the ATC at the time the request is submitted.

[DNR15] When there are no posted ATC values, where there is no path posted on the OASIS or when the Designated Network Resource request is for twelve or more consecutive months, a System Impact Study may be required. In either case, the request will be placed in STUDY until all OATT requirements in Section 32 are satisfactorily met and within prescribed deadlines.

H. DESIGNATED NETWORK RESOURCE TRANSMISSION ROLLOVER RIGHTS:

[DNR 16] Any new or existing Designated Network Resource (DNR) and the associated transmission service to support the resource has rollover rights, if the initial designation was for five (5) years or longer and not limited by the initial request. To exercise the rollover rights for the DNR, the customer must make application by submitting a renewal request no later than one year before the end of the contract. To continue to have rollover rights, the rollover period must be for 5 years or longer. A rollover of less than 5 years will not retain any future rollover rights.

[DNR 17] Starting July 13, 2007, any current DNR of less than five years duration that includes rollover rights and for which the contract expires before July 2008 will be permitted to exercise the rollover rights under the pre-July 13 2007 rollover requirements. The rollover will have to be for a minimum of 5 years to retain any future rollover rights.

[DNR 18] Starting July 13, 2007, any current DNR of less than five years duration that includes rollover rights and for which the contract expires after July 2008, will make application by submitting a renewal request no later than one year before the end of the contract. The rollover will have to be for a minimum of 5 years to retain any future rollover rights.

I. RESERVING TRANSMISSION AS A NETWORK CUSTOMER USING AN ALTERNATE RESOURCE:

[DNR19] A Network Customer may request service to deliver energy to its Network Loads from resources that have not been designated as Network Resources under Section 28.4 of the OATT.

[DNR20] When the request is based upon a power purchase, the start and stop date/times can not extend beyond the term of the purchase agreement between the Transmission Customer and the generation seller. Over the OASIS, a Network Customer must submit a PRECONFIRMED request for Network Secondary with \$0.00 in the price field, since there is no additional charge. It is permissible to use the profile feature when creating this request.

Network Using Alternate Resources (Network Secondary)

[DNR21]

May be requested... anytime in advance, up to 30 minutes prior to the top of the hour in which service is to begin.

Customer Confirmation... request must be PRECONFIRMED

New Designated Network Resource Form ... is NOT required.

OASIS Request Type ... is "NETWORK."

OASIS Request Class ... is "SECONDARY."

[DNR22] Elevation of the Transmission Service Priority of an Interchange Transaction from Priority 6 to Priority 7 during a Capacity or Energy Emergency: Any Load Serving Entity inside the metered bounds of the CPLE or CPLW Balancing Authority areas experiencing a capacity and/or energy emergency can request CP&L d/b/a Progress Energy Carolinas, Inc. as the Transmission Service Provider to change the priority of transmission service of an Interchange Transaction from Priority 6 (Network Integration Transmission Service from Non-designated Resources) to Priority 7 (Network Integration Transmission Service from designated Network Resources) upon the Reliability Coordinator's declaration of Energy Emergency Alert Level 2.

J. TERMINATION OF A DESIGNATED NETWORK RESOURCE:

[DNR23] In order for a Network Customer to sell a DNR as a firm product to a third party, the DNR capacity must be terminated or undesignated. Termination of a Network Resource is not necessary to make a non-firm sale to a third party. Termination of a Network Resource will be in accordance with Section 30.3 of the CP&L OATT.

[DNR24] To terminate all or a portion of a Designated Network Resource to sell to a third party, the Network Customer must complete and submit the Request to Terminate Designation of Network Resource Form (Attachment D) and fax to the CPL Transmission Services Dispatcher before the transaction can be approved. Termination of a Network Resource means the Network Resource will be unavailable to serve load during the time it is terminated and cannot be called upon for redispatch purposes.

V. Miscellaneous

A. CP&L Standards of Conduct

All requests are processed in accordance with Progress Energy Carolinas Standards of Conduct Procedures (PEC document # REGS-SUBS-0002).

B. Creditworthiness

The following statements address requirements included in the November 19, 2004, FERC Policy Statement on Creditworthiness (reference Docket PL05-3-000, 109 FERC 61,186).

The Carolina Power & Light (CP&L) credit review process is detailed in Attachment L of the CP&L OATT. Electronic copies of the entire CP&L OATT are available on the CP&L OASIS.

The CP&L credit review process provides for the consideration of both quantitative and qualitative factors in determining the creditworthiness of a potential Transmission Customer. If a potential customer does not strictly meet the OATT-defined creditworthiness requirements, qualitative factors are then considered as a means to further evaluate the Transmission Customer's ability to meet their obligations. The qualitative factors may include, but are not limited to, an applicant's history, the nature of their organization and operating environment, management and contractual obligations, and financial and accounting policies.

A written notification will be provided to customers who fail to meet the OATT-defined creditworthiness requirements and who will be required to provide security against the risk of non-payment. This written notification will include an explanation as to how the CP&L credit review procedures and standards have been applied to them.

C. OASIS HELP DESK

Customers needing technical help on the VACAR OASIS may call 1-(763)-201-2020 or send e-mail to support@oati.net.

D. CP&L CONTACT

Customers seeking additional information on CP&L's practices with respect to OASIS may call (919) 546-7706 or send e-mail to chip.webb@pgnmail.com.

E. ENERGY and GENERATOR IMBALANCE CREDIT PROCEDURES

The imbalance penalty revenues calculated pursuant to Schedules 4 and 9 of the OATT shall be credited based on the ratio of the transmission revenues from each Network Transmission Customer (including Native Load Customers) or Point-to-Point Transmission Customer that did not experience an energy imbalance in excess of the deviation band in an hour to the sum of the transmission revenues from all Transmission Customers who did not experience energy imbalances in the hour. A Transmission Customer that experiences an energy imbalance in excess of the deviation band in an hour shall not receive a credit for that hour.

The Transmission Provider shall disburse accumulated penalty revenues, plus interest calculated in accord with 18 C.F.R. § 35.19a. The Transmission Provider shall file an annual report with the Commission identifying the penalty revenues collected by customer, penalty revenues refunded by customer and the penalty revenues retained for Native Load Customers.

F. NAESB WEQ Business Practice Standards

CP&L is incorporating the following business practice and electronic communication standards promulgated by the North American Energy Standards Board (NAESB) Wholesale Electric Quadrant (WEQ) into its Business Practices. The NAESB Business Standards can be accessed at <http://www.naesb.org>.

- Business Practices for Open Access Same-Time Information Systems (OASIS) Version 1.4 (WEQ-001, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007) including Standards 001-0.2 through 001-0.8, 001-0.14 through 001-0.20, 001-2.0 through 001-9.6.2, 001-9.8 through 001-12.5.2, and 001-A and 001-B;
- Business Practices for Open Access Same-Time Information Systems (OASIS) Standards & Communication Protocols, Version 1.4 (WEQ-002, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007) including Standards 002-0.1 through 002-5.10, except for Standard 002-4.5.2, for which waiver has been granted;
- Open Access Same-Time Information Systems (OASIS) Data Dictionary Version 1.4 (WEQ-003, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007) including Standard 003-0;
- Coordinate Interchange(WEQ-004, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007) including Purpose, Applicability, and Standards 004-0.1 through 004-17.2, and 004-A through 004-D;
- Area Control Error (ACE) Equation Special Cases Standards (WEQ-005, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007) including Purpose, Applicability, and Standards 005-0.1 through 005-3.1.3, and 005-A;
- Manual Time Error Correction(WEQ-006, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007) including Purpose, Applicability, and Standards 006-0.1 through 006-12; and
- Inadvertent Interchange Payback (WEQ-007, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007) including Purpose, Applicability, and Standards 007-0.1 through 007-2, and 007-A;

- **V. Revision History**

(The most recent revisions are highlighted in RED)

<u>Effective Date</u>	<u>Topic</u>	<u>Change</u>
September 1, 2009	Financial Losses	CP&L no longer will accept Financial Losses
July 15, 2008	TLR Procedures	Added Section adopting local TRL procedures with PJM
June 27, 2008	DNR Table	Updated DNR Table to show Network Secondary Service during the current day.
May 14, 2008	Firm Daily Service	Firm Daily is not available if requested current day or after 1000 for next day service.
April 28, 2008	Miscellaneous	Clarification changes to article I.I-1, other miscellaneous changes and addition of para DNR22.
January 14, 2008	Miscellaneous	Business Practice changes in response to Customer comments.
September 11, 2007	Conditional Firm Service	Added Conditional Firm Service Procedures
July 16, 2007	Format clean-up	Correctly labeled the DNR paragraphs.
July 12, 2007	FERC Order 890	Business Practice changes to comply with the provisions of FERC Order 890 effective July 13, 2007.
04/13/06	Business Practices Format	Updated format for Business Practices Document
03/01/06	DNR Redirects	Modified DNR business practices to allow non-firm redirects.
02/21/05	DNR Redirects	Modified DNR business practices to allow intraday redirects.
01/25/05	Miscellaneous	Added information

		regarding CP&L Creditworthiness practices.
11/09/04	CP&L Contact	Revised contact phone & email information.
08/04/04	DNR Proviso Form	Revised DNR Proviso Form to address reliability.
08/04/04	NIS Business Practices	Added a sentence to [DNR 08] and revised [DNR10].
03/30/04	Request Fax Form	Added the CP&L Transmission Service Request Fax Form.
01/01/04	DNR Proviso Form	Minor revisions to allow the Network Integration Service Transmission Customer to reduce or reestablish the designated capacity.
10/09/03	Loss Compensation section	Minor revisions to the Loss Compensation section including Loss Table.
10/01/03	ATC / Loss Compensation section	Removed paragraph on releasing ATC - no longer applicable (contracts ended). Modified entire section on Loss Compensation - a New Loss Table is included making losses more transparent to CP&L Customers.
07/18/03	ATC/Requests Impacting CP&L East and West Control Areas	Release of unused transmission capacity on a day ahead basis (See "ATC"). Changes to submittal guidelines for requests impacting both CPLE and CPLW control areas.
6/20/03	Miscellaneous	Clarification to Ancillary Services section, Clarification to Firm Redirects section
7/1/02	Firm Modifications	Allow Firm Redirects off Firm Redirects and allow Firm Redirects from a multiple day Daily to a

		single day (less than original)
5/1/02	DNR Modifications (Redirects)	Added sections on requirements for redirecting DNR reservations and ETag 1.7 tags.
1/29/02	Miscellaneous	Added Submittal & Response Timing for Network Secondary, DNR requests, Non-firm Redirects; Removed 4 day written application requirement for Long Term PTP requests; Added information on Transmission Losses

Appendix A

Obtaining Ancillary Services

The Tariff identifies the following seven Ancillary Services:

- Schedule 1 - (SC) Scheduling, System Control and Dispatch Service
- Schedule 2 - (RV) Reactive Supply and Voltage Control from Generation Sources Service
- Schedule 3 - (RF) Regulation and Frequency Response Service
- Schedule 4 - (EI) Energy Imbalance Service
- Schedule 5 - (SP) Operating Reserve - Spinning Reserve Service
- Schedule 6 - (SU) Operating Reserve - Supplemental Reserve Service
- Schedule 9 – Generator Imbalance Service

The Transmission Provider does not sell or supply any Ancillary Service unless such supply is in the provision of transmission service under its OATT. For this reason, a Transmission Customer making a service request is required to submit requests for the appropriate Ancillary Services by checking the appropriate box (s) when making the request over the OASIS. Ancillary Service request submittal over the OASIS in any other manner will be REFUSED.

Transmission Customers making requests for all transmission service reserved into, out of, or through CP&L's transmission system must purchase the first two Ancillary Services (Schedule 1 and Schedule 2) from CP&L regardless of whether the transmission service request is for Point-to-Point Transmission Service or for Network Integration Service.

For Point-to-Point Transmission Service, the Transmission Customer does not need to request Schedule 1 and Schedule 2 when making a request. The OASIS will automatically create them for the customer. They will be billed to the Transmission Customer along with the billing for the transmission reservation. The billing determinant for Schedule 1 and Schedule 2 shall be the Transmission Customer's Reserved Capacity for Point-To-Point Transmission Service.

For Network Integration Transmission Service, the Transmission Customer must purchase the first two Ancillary Services (Schedule 1 and Schedule 2) from CP&L for all transmission service reserved into or out of CP&L's transmission system. The Transmission Customer must request these two services when submitting an application for NITS. The billing determinant for the first two Ancillary Services (Schedule 1 and Schedule 2) shall be the Transmission Customer's Network Load for the applicable month for Network Integration Transmission Service.

The remaining four ancillary services (OATT Schedules 3 through 6) are required only for transmission service reserved to serve loads within CP&L's transmission system. The Transmission Customer may acquire these ancillary services by any of the following three ways:

1. They may acquire the services from CP&L. A Transmission Customer desiring to acquire these ancillary services from CP&L must submit separate OASIS requests for each of the four ancillary services at the same time a request is made over the OASIS for transmission service. CP&L will mark INVALID a request for transmission service for which the required ancillary services have not also been requested. Ancillary services provided by CP&L will be automatically billed to the Transmission Customer along with the billing for the transmission reservation.
2. They may self-provide the services and must submit separate OASIS requests for each of the four ancillary services at the same time a request is made over the OASIS for transmission service. A written request must also be submitted as discussed below.
3. They may acquire the services from a third party and must submit separate OASIS requests for each of the four ancillary services at the same time a request is made over the OASIS for transmission service. A written request must also be submitted as discussed below.

The process of establishing the capability to self-provide the services or to acquire them from a third party is not trivial and is described, for each service, in the Ancillary Service Schedules which are attached to the Tariff. Those who wish to do this must make a written request to the Manager-Transmission Services. These can be mailed, faxed or e-mailed. Receipt of a written request will initiate the discussions necessary to begin the design and installation of the infrastructure needed to support the provision of these services by a provider outside of CP&L's transmission system.

Until such time as the Transmission Customer has satisfactorily established its capabilities to self-supply any of these ancillaries so indicated or to acquire any of these ancillaries so indicated, the OASIS request for transmission service will remain in STUDY. During this time, if CP&L receives an impending transmission request such that its system would become over subscribed if both the impending request and the request being studied were ACCEPTED, the Transmission Customer who's request is in STUDY will be so notified. They will be given fifteen (15) days to satisfactorily establish its self-supply or third party purchase capabilities as indicated on their request. Otherwise, the subsequent request will be ACCEPTED. The Transmission Customer who's request is being studied will then be notified in writing of any System Impact and/or Facility Studies necessary due to insufficient transfer capability as originally requested by them as a result of the subsequent request being ACCEPTED. On the other hand, if the Transmission Customer for whom a request is being studied satisfactorily meets the fifteen- (15) day deadline, that Customer's request will be ACCEPTED. The subsequent request will be placed in STUDY pending any System Impact and /or Facility Studies necessary to determine ATC provided there is sufficient time to study the request prior to the start date of the request.

The Network Customer who's request remains in STUDY while attempting to satisfactorily establish its self-supply or third party purchase capabilities must do so prior

to thirty (30) days before the start date of the request. This is because Monthly Firm reservations become unconditional thirty (30) days prior to their start date and may not be DISPLACED after that time period.

If a Transmission Customer serving load within CP&L's transmission system has satisfactorily established the capabilities to self-supply any of these ancillary services or has satisfactorily established the capability to acquire them from a third party, then that Customer must select the Ancillary Service box (s) as appropriate when making a request over the OASIS. If making application for Network Integration Transmission Service, the Transmission Provider will incorporate the documents as necessary that define the provision of these services by a provider outside of CP&L's transmission system.

Appendix B

Transmission Service Request Fax Form

(REV 06 - 3/27/06)

Carolina Power & Light Company Transmission Service Request Form

FAX Form to (919) 546-3466 Same Day One Hour / Transmission Services Dispatcher (919) 546-2144

Name of Requestor: _____ Date: _____

Telephone #: _____ FAX #: _____ CP&L Reservation Number: _____

<p>Type of Service Requested (check one)</p> <p><input type="checkbox"/> Non-Firm Point-to-Point</p> <p><input type="checkbox"/> Non-Firm Secondary</p> <p><input type="checkbox"/> Network ___ East ___ West</p> <p><input type="checkbox"/> Network Secondary ___ East ___ West</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">Eastern Control Area</th> <th style="text-align: left;">Western Control Area</th> </tr> <tr> <td colspan="2">Point to Point (check two)</td> </tr> <tr> <td> <table style="width: 100%;"> <tr> <td style="text-align: right;">Receipt From:</td> <td style="text-align: right;">Deliver To:</td> </tr> <tr> <td><input type="checkbox"/> Duke</td> <td><input type="checkbox"/> Duke</td> </tr> <tr> <td><input type="checkbox"/> PJM</td> <td><input type="checkbox"/> PJM</td> </tr> <tr> <td><input type="checkbox"/> SCEG</td> <td><input type="checkbox"/> TVA</td> </tr> <tr> <td><input type="checkbox"/> SCPSA</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Yadkin</td> <td></td> </tr> </table> </td> <td> <table style="width: 100%;"> <tr> <td style="text-align: right;">Receipt From:</td> <td style="text-align: right;">Deliver To:</td> </tr> <tr> <td><input type="checkbox"/> Duke</td> <td><input type="checkbox"/> Duke</td> </tr> <tr> <td><input type="checkbox"/> PJM</td> <td><input type="checkbox"/> PJM</td> </tr> <tr> <td><input type="checkbox"/> TVA</td> <td><input type="checkbox"/> TVA</td> </tr> </table> <p style="font-size: small;">Note: Transfers between CP&L East & West must be reserved through Duke Power Co. or AEP Co. by the Transmission Customer.</p> </td> </tr> </table>	Eastern Control Area	Western Control Area	Point to Point (check two)		<table style="width: 100%;"> <tr> <td style="text-align: right;">Receipt From:</td> <td style="text-align: right;">Deliver To:</td> </tr> <tr> <td><input type="checkbox"/> Duke</td> <td><input type="checkbox"/> Duke</td> </tr> <tr> <td><input type="checkbox"/> PJM</td> <td><input type="checkbox"/> PJM</td> </tr> <tr> <td><input type="checkbox"/> SCEG</td> <td><input type="checkbox"/> TVA</td> </tr> <tr> <td><input type="checkbox"/> SCPSA</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Yadkin</td> <td></td> </tr> </table>	Receipt From:	Deliver To:	<input type="checkbox"/> Duke	<input type="checkbox"/> Duke	<input type="checkbox"/> PJM	<input type="checkbox"/> PJM	<input type="checkbox"/> SCEG	<input type="checkbox"/> TVA	<input type="checkbox"/> SCPSA		<input type="checkbox"/> Yadkin		<table style="width: 100%;"> <tr> <td style="text-align: right;">Receipt From:</td> <td style="text-align: right;">Deliver To:</td> </tr> <tr> <td><input type="checkbox"/> Duke</td> <td><input type="checkbox"/> Duke</td> </tr> <tr> <td><input type="checkbox"/> PJM</td> <td><input type="checkbox"/> PJM</td> </tr> <tr> <td><input type="checkbox"/> TVA</td> <td><input type="checkbox"/> TVA</td> </tr> </table> <p style="font-size: small;">Note: Transfers between CP&L East & West must be reserved through Duke Power Co. or AEP Co. by the Transmission Customer.</p>	Receipt From:	Deliver To:	<input type="checkbox"/> Duke	<input type="checkbox"/> Duke	<input type="checkbox"/> PJM	<input type="checkbox"/> PJM	<input type="checkbox"/> TVA	<input type="checkbox"/> TVA	<p>Provide the following Control Area Information:</p> <p>1. Source(s) _____</p> <p>_____</p> <p>_____</p> <p>2. Sink(s) _____</p> <p>_____</p> <p>_____</p>
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<p>Hour of Service Requested (check one)</p> <p style="text-align: center;">Start End</p> <p><input type="checkbox"/> Hourly _____</p>	<p><i>To Be Completed by CP&L</i></p> <p>Transmission Rate: \$ _____/MWH</p> <p>Ancillary</p> <p>On Peak \$0.37/MWH</p> <p>Off Peak \$0.17/MWH</p>																											
<p>Capacity Requested:</p> <p>_____ / _____ MW</p> <p style="text-align: center;">Into CP&L Out of CP&L</p>	<p>Total Due: \$ _____</p> <p>Loss Rate: \$ _____/MWH</p> <p>Loss Charge: \$ _____</p> <p>Schedule Type: _____</p>																											
<p>Losses (2.15%) will be provided by</p> <p><input type="checkbox"/> Transmission Customer <input type="checkbox"/> CP&L</p>	<p>Approved by: _____</p> <p>Denied by: _____</p> <p>Pending by: _____</p> <p>Reason for Denial/Pending: _____</p> <p>_____</p>																											
<p>Time frames for application submission</p> <p>Non-firm point-to-point</p> <p>Same day Hourly - not later than 30 minutes before top of hour</p>	<p>Withdrawn (customer) _____</p> <p>Acceptance by: (customer)* _____</p>																											

*I certify that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff.

Attachment C

CAROLINA POWER & LIGHT COMPANY
d/b/a
PROGRESS ENERGY CAROLINAS, INC.

Request for New Designated Network Resource

Fax Form to (919) 546-3466 _____

Transmission Services Dispatcher (919) 546-2144

This form should be completed and faxed to the CP&L Control Room at 919-546-3466 when a request for DNR Transmission Service is made. Please reference Sections 29.2 and 30.2 of the CP&L OATT when submitting this request.

Submittal Date: (1) _____

Network Customer: (2) _____

Customer Address: (2) _____

Contact phone #: (2) _____ Fax #: _____

Resource Name: (3) _____ OASIS Reference: (4) _____

Source Control Area: (5) _____ POR Interface: (6) _____

Resource Capacity: (7) _____ DNR Capacity: (7) _____

Start Date: (8) _____ Start Time: (8) _____

Stop Date: (8) _____ Stop Time: (8) _____

Transmission OASIS reference on adjoining Control Areas: (9) _____

Approximate incremental resource cost (\$/MWH) for consideration in redispatch calculations. (10) _____

DNR Unit Detail Information

Provide Unit VAR capability: Leading (11) _____ Lagging (11) _____

Minimum unit loading level: (12) _____

Normal unit operating level: (12) _____

Is this a must-run unit for reliability or contract reasons? (13) _____

List the time periods of restricted operations during the year: (14) _____

 Provide a 10 year maintenance schedule for the unit. (15)

Are there any arrangements governing the sale and delivery of power to third parties from generating facilities located in the Transmission Provider's control area where only a portion of the unit output is designated as a Network Resource? _____ If yes, please provide details: (16) _____

By executing and submitting this form, the Transmission Customer attests that the new network resource satisfies the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; (2) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis; (3) the Network Customer has acquired firm transmission through each control area on the scheduling path from the generator sources to Carolina Power & Light as the sink for the entire period of the request; and (4) meets the criteria given in Section IV of the CP&L Business Practices. (17)

_____ Title _____
Transmission Customer - Company

_____ Date _____
Printed Name/Signature

Attachment D

CAROLINA POWER & LIGHT COMPANY
d/b/a
PROGRESS ENERGY CAROLINAS, INC.

Request to Terminate Designation of Network Resource

Fax Form to (919) 546-3466 Transmission Services Dispatcher (919) 546-2144

This form should be completed and faxed to the CP&L Control Room at 919-546-3466 when a request to terminate designation all or a portion of a Network Resource is made. Please reference Section 30.3 of the CP&L OATT when submitting this request.

Submittal Date: (1) _____

Network Customer: (2) _____

Resource Name: (3) _____ OASIS Reference: (4) _____

Source Control Area: (5) _____ POR Interface: (6) _____

Amount of Capacity being Undesignated: (7) _____

Temporary Termination: (8) _____ Indefinite Termination: (8) _____

Start Date: (9) _____ Start Time: (9) _____

Stop Date: (9) _____ Stop Time: (9) _____

Projected Peak Network Load during time of Termination: (10) _____ MWs

Amount of Designated Network Resources remaining to serve Network Load: (11) _____ MWs

Transmission OASIS reference on adjoining Control Areas: (12) _____

To redesignate for temporary terminations, the Transmission Customer must sign this form attesting that: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis. (13)

_____ Title _____
 Transmission Customer - Company

_____ Date _____
 Printed Name/Signature